

Message Text

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ORIGIN AGR-08

INFO OCT-01 AF-08 ARA-06 EUR-12 EA-07 NEA-10 IO-13 ISO-00

EB-07 FEA-01 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 ITC-01 TRSE-00 USIA-06

PRS-01 SP-02 OMB-01 /140 R

DRAFTED BY USDA/FAS:GWANAMAKER

APPROVED BY EB- JULIUS L. KATZ

USDA:BMEEKER (SUBS)

USDA:GFRASER (SUBS)

USDA:DHUME (SUBS)

EUR/RPE:ECASEY

EB/OT/TA:RMEYER

EB/OF/FPD:FCMCELDOWNEY

----- 115459

P R 122346Z JUL 76

FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES PRIORITY

AMEMBASSY BRASILIA PRIORITY

AMEMBASSY OTTAWA PRIORITY

AMEMBASSY LIMA PRIORITY

AMEMBASSY PRETORIA PRIORITY

AMEMBASSY MANILA PRIORITY

AMEMBASSY COLOMBO PRIORITY

AMEMBASSY JAKARTA PRIORITY

AMEMBASSY KUALA LUMPUR PRIORITY

AMEMBASSY KHARTOUM PRIORITY

AMEMBASSY KINSHASA PRIORITY

AMEMBASSY OSLO PRIORITY

AMEMBASSY STOCKHOLM PRIORITY

AMEMBASSY MOSCOW PRIORITY

AMEMBASSY WARSAW PRIORITY

AMEMBASSY BUCHAREST PRIORITY

AMEMBASSY MADRID PRIORITY

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AMEMBASSY REYKJAVIK PRIORITY

AMEMBASSY DAKAR PRIORITY
AMEMBASSY NIAMEY PRIORITY
AMEMBASSY LAGOS PRIORITY
AMEMBASSY BAMAKO PRIORITY
AMEMBASSY ABIDJAN PRIORITY
AMEMBASSY COTONOU PRIORITY
INFO USMISSION EC BRUSSELS
USMISSION GENEVA
USDEL MTN GENEVA

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E.O. 11652: N/A

TAGS: EAGR, ETRD, EEC

SUBJECT: EC COMMISSION PROPOSAL TO TAX VEGETABLE, FISH
AND MARINE OIL

1. THE EC COMMISSION HAS PROPOSED A TAX ON IMPORTED AND DOMESTIC FISH, MARINE AND VEGETABLE FATS AND OIL AS PART OF ITS LONG TERM DAIRY MEASURE. WHILE THE LEVEL OF THE TAX HAS YET TO BE DETERMINED, WE UNDERSTAND IT WOULD CORRESPOND TO THAT PROPOSED FOR MILK SO AS TO ENCOURAGE SHIFTING OF DEMAND TO BUTTER AND BUTTER OIL FROM MARGARINE AND VEGETABLE OIL. THE EFFECTS OF THIS TAX WOULD BE FELT DIRECTLY OR INDIRECTLY ON ALL EC VEGETABLE OIL SUPPLIERS (EXCEPT OLIVE OIL).

2. THE LEVY WOULD AFFECT AN ESTIMATED 4.5 MILLION TONS OF VEGETABLE, MARINE AND FISH OIL CONSUMED ANNUALLY IN THE COMMUNITY. THE LEVY THREATENS TO REDUCE EC CONSUMPTION OF THESE OILS AND FATS, AND TO DIVERT LARGE QUANTITIES OF PALM, COCONUT, PEANUT, FISH, SOYBEAN, COTTONSEED, SUNFLOWER AND OTHER OILS TO THIRD MARKETS AT SUBSTANTIALLY LOWER PRICES, THUS ADVERSELY AFFECTING EXPORT EARNINGS OF ALL TRADITIONAL EC SUPPLIERS.

3. THE EC COMMISSION PROPOSAL IS SCHEDULED TO BE PRESENTED
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TO THE COUNCIL AT THE NEXT SESSION JULY 19-21. REPORTS FROM BRUSSELS INDICATE PASSAGE BY THE COUNCIL IS UNCERTAIN.

4. EMBASSIES ARE REQUESTED TO ALERT APPROPRIATE HOST GOVERNMENT OFFICIALS OF PROPOSED EC ACTION AND POTENTIAL DANGER TO ALL EXPORTERS OF OIL BEARING MATERIALS TO THE COMMUNITY IF SUCH A PROPOSAL IS IMPLEMENTED. KISSINGER

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Message Attributes

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Draft Date: 12 JUL 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
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Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Margaret P. Grafeld
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EO Systematic Review
04 MAY 2006

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Status: NATIVE
Subject: EC COMMISSION PROPOSAL TO TAX VEGETABLE, FISH AND MARINE OIL
TAGS: EAGR, ETRD, EEC
To: BUENOS AIRES MULTIPLE
Type: TE
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